



DIAZ RESOURCES LTD.

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The following is for immediate release in Canada, Wednesday, October 19, 2005

DIAZ ANNOUNCES SPUDDING 16,800 FOOT ALLEN RANCH, HANCOCK #2 WELL COLORADO COUNTY, TEXAS

Diaz Resources Ltd. announces that the Allen Ranch Hancock #2 well commenced drilling on October 18, 2005.

The well is being drilled to 16,800 feet and is estimated to take 65-75 days to drill. The well is a development well for the four Wilcox gas zones, currently being completed in the Allen Ranch Hancock #1 well, and will also penetrate a deep Wilcox gas structure identified by 3D seismic.

Production from the third Wilcox zone in the Allen Ranch Hancock #1 well has been increased to 7.0 MMcfd, flowing at 5,700 psi, on a 16/64 inch choke. The Allen Ranch Hancock #1 well has yet to be completed in the fourth Wilcox gas zone. After production testing, the four productive Wilcox gas zones in this well will be commingled.

Diaz has a 20% working interest in both the Allen Ranch Hancock wells.

Diaz is an oil and gas exploration and production company based in Calgary, Alberta. Diaz's current focus is on shallow gas developments in southern Alberta, natural gas exploration in central and southern Alberta and deep gas exploration in Texas.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Forward-looking statements – statements included in this press release that are not historical facts may be considered “forward-looking statements.” All estimates and statements that describe the Company’s objectives, goals or future plans are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties where actual results could differ materially from those currently anticipated.

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